AgroSpectrum ASIA
Envisaging Future | Updating Present

Indonesia and Singapore deepen economic partnership through green energy, digital infrastructure and strategic investments

09 June 2026 | News

Bilateral initiatives spanning clean energy, special economic zones, data centers and agri-tech reinforce the growing economic integration between Southeast Asiaâ??s two key economies



Bilateral initiatives spanning clean energy, special economic zones, data centers and agri-tech reinforce the growing economic integration between Southeast Asiaâ??s two key economies

Indonesia and Singapore are strengthening economic ties through a broad portfolio of initiatives spanning investment, digital infrastructure, renewable energy, manufacturing and agricultural innovation, underscoring the strategic importance of their long-standing bilateral partnership.

The commitment was reaffirmed during the 16th Six Bilateral Economic Working Groups Ministerial Meeting in Jakarta, co-chaired by Indonesiaâ??s Coordinating Minister for Economic Affairs Airlangga Hartarto and Singaporeâ??s Deputy Prime Minister and Minister for Trade and Industry Gan Kim Yong.

At the center of the discussions was the continued development of the Batam, Bintan and Karimun (BBK) region, which has emerged as a cornerstone of economic cooperation between the two countries.

According to Airlangga, investment inflows into the BBK region reached US$5.7 billion in 2025, reflecting growing investor confidence and the regionâ??s expanding role as a manufacturing, logistics and digital services hub.

Digital Economy and Industrial Expansion

Indonesia and Singapore are accelerating efforts to position BBK as a regional center for the digital economy.

Key initiatives include the continued expansion of Nongsa Digital Park, which has become a focal point for technology investment and digital talent development, as well as new data center projects in Batam and Bintan.

Several major investors, including DayOne, DCI Indonesia and PT Equator Gate System, are advancing infrastructure projects aimed at strengthening the regionâ??s digital ecosystem.

To support future growth, both governments will conduct a joint technology-sector study to identify emerging opportunities and formulate recommendations for expanding the regionâ??s digital economy capabilities.

Meanwhile, Indonesia is continuing to broaden the footprint of the Batam Free Trade Zone, with coverage expanding from eight islands to 22, creating additional capacity for industrial and commercial development.

The manufacturing sector is also set to benefit from the planned expansion of the Kendal Special Economic Zone, where approximately 1,000 additional hectares will be developed to attract new investment and generate employment opportunities.

Advancing the Green Energy Agenda

Clean energy cooperation is emerging as another major pillar of the bilateral relationship.

Among the flagship projects under development is a large-scale solar energy initiative led by Sembcorp Industries in partnership with PT Sumber Energi Surya Nusantara.

Scheduled for completion next year, the project will deliver 200 megawatts of solar generation capacity and include an 80 megawatt-hour battery energy storage system, making it one of Indonesiaâ??s largest utility-scale solar developments.

The investment aligns with broader regional efforts to accelerate energy transition initiatives while supporting growing demand for clean power from industrial and digital infrastructure projects.

Strengthening Long-Term Economic Cooperation

Singapore continues to be Indonesiaâ??s largest foreign investor, with investment commitments reaching approximately $17.4 billion in 2025, according to Singaporean officials.

Despite ongoing global economic uncertainty and geopolitical challenges, both governments emphasized their commitment to maintaining stable and mutually beneficial economic relations.

Beyond infrastructure and industry, cooperation is also expanding into agriculture. The two countries are set to launch a Young Farmer Development Program in June 2026 aimed at strengthening collaboration in agricultural technology, skills development and next-generation farming systems.

The expanding partnership reflects a broader shift toward integrated economic development that combines digital transformation, industrial growth, renewable energy deployment and food system innovationâ??positioning Indonesia and Singapore as increasingly interconnected players in Southeast Asiaâ??s evolving economic landscape.